

AN ACT concerning public employee benefits.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Pension Code is amended by changing Sections 17-114, 17-131, and 17-132 as follows:

(40 ILCS 5/17-114) (from Ch. 108 1/2, par. 17-114)

Sec. 17-114. Computation of service.

(a) When computing days of validated service, contributors shall receive one day of service credit for each day for which they are paid salary representing a partial or a full day of employment rendered to an Employer or the Board.

(b) When computing months of validated service, 17 or more days of service rendered to an Employer or the Board in a calendar month shall entitle a contributor to one month of service credit for purposes of this Article.

(c) When computing years of validated service rendered, 170 or more days of service in a fiscal year or 10 or more months of service in a fiscal year shall constitute one year of service credit.

(d) Notwithstanding subsections (b) and (c) of this Section, validated service in any fiscal year shall be that fraction of a year equal to the ratio of the number of days of service to 170 days.

(e) For purposes of this Section, no contributor shall earn more than one year of service credit per fiscal year.

~~When computing validated service, 10 months or more shall constitute one year of service unless a lesser number of months is established as a school year by an Employer. Salary representing 5 days' or more employment paid in a semi monthly or bi weekly payroll period, whichever the case may be, shall be considered for the purpose of computing service credit and shall entitle a contributor to 1/2 month of service. When computing total service rendered, 3 to 10 days' employment in the final total of such service shall entitle a contributor to 1/2 month of service.~~

(Source: P.A. 90-566, eff. 1-2-98.)

(40 ILCS 5/17-131) (from Ch. 108 1/2, par. 17-131)

Sec. 17-131. Administration of payroll deductions.

(a) An Employer or the Board shall make pension deductions in each pay period on the basis of the salary earned in that period, exclusive of salaries for overtime, special services, or any employment on an optional basis, such as in summer school.

(b) If a salary paid in a pay period includes adjustments on account of errors or omissions in prior pay periods, then salary amounts and related pension deductions shall be separately identified as to the adjusted pay period and deductions by the Employer or the Board shall be at rates in

force during the applicable adjusted pay period.

(c) If members earn salaries for the school year, as established by an Employer, or if they earn annual salaries over more than a 10-calendar month period, or if they earn annual salaries over more than 170 calendar days, the required contribution amount shall be deducted by the Employer in installments on the basis of salary earned in each pay period. The total amounts for each pay period shall be deducted whenever salary payments represent a partial or whole day's pay.

(d) If an Employer or the Board pays a salary to a member for vacation periods, then the salary shall be considered part of the member's pensionable salary, shall be subject to the standard deductions for pension contributions, and shall be considered to represent pay for the number of whole days of vacation.

(e) If deductions from salaries result in amounts of less than one cent, the fractional sums shall be increased to the next higher cent. Any excess of these fractional increases over the prescribed annual contributions shall be credited to the members' accounts.

(f) In the event that, pursuant to Section 17-130.1, employee contributions are picked up or made by the Board of Education on behalf of its employees, then the amount of the employee contributions which are picked up or made in that manner shall not be deducted from the salaries of such

employees.

~~During any period in which salaries are paid, such deductions by an Employer or the Board shall be made on the basis of the full salary rates, exclusive of salaries for overtime, special services or any employment on an optional basis, such as in summer school. If salaries represent adjustments on account of error, deductions by the Employer or the Board shall be at rates in force during the applicable payroll period. If teachers receive salaries for the school year, as established by an Employer, or if they receive salaries for more than 10 calendar months, the amount required for each year of service shall be deducted by such Employer in installments. The total amounts for each semimonthly payroll period, or bi-weekly payroll period, as the case may be, shall be deducted only when salary payments represent 5 days' pay or more. If an Employer or the Board pays salaries to members of the teaching force for vacation periods, the salary shall be considered part of the teacher's annual salary, shall be subject to the standard deductions for pension contributions, and shall be considered to represent pay for 5 or more days' employment in a bi-weekly or semi-monthly payroll period for purposes set forth in this Section. If deductions from salaries result in amounts of less than one cent, the fractional sums shall be increased to the next higher cent. Any excess of these fractional increases over the prescribed annual contributions shall be credited to the teachers' accounts.~~

~~In the event that, pursuant to Section 17-130.1, employee contributions are picked up or made by the Board of Education on behalf of its employees from the proceeds of the tax levied under Section 34-60 of the School Code, then the amount of the employee contributions which are picked up or made in that manner shall not be deducted from the salaries of such employees.~~

(Source: P.A. 90-566, eff. 1-2-98.)

(40 ILCS 5/17-132) (from Ch. 108 1/2, par. 17-132)

Sec. 17-132. Payments and certification of salary deductions.

(a) An Employer shall cause the Fund to receive all members' payroll records and pension contributions within 30 calendar days after each predesignated payday. For purposes of this Section, the predesignated payday shall be determined in accordance with each Employer's payroll schedule for contributions to the Fund.

(b) Amounts not received by the 30th calendar day after the predesignated payday shall be deemed delinquent and subject to late interest penalty (calculated at the average short-term rate of interest earned by the Fund for the calendar month preceding the calendar month in which the delinquency occurs) starting from the predesignated payday and ending on the date payment is received.

(c) The payroll records shall report (1) all pensionable

salary earned in that pay period, exclusive of salaries for overtime, special services, or any employment on an optional basis, such as in summer school; (2) adjustments to pensionable salary, exclusive of salaries for overtime, special services, or any employment on an optional basis, such as in summer school, made in a pay period for any prior pay periods; (3) pension contributions attributable to pensionable salary earned in the reported pay period or the adjusted pay period as required by subsection (b) of Section 17-131.

(d) The appropriate officers of the Employer shall certify and submit the payroll records no later than 30 calendar days after each predesignated payday. The certification shall constitute a confirmation of the accuracy of such deductions according to the provisions of this Article.

(e) The Board has the authority to conduct payroll audits of a charter school to determine the existence of any delinquencies in contributions to the Fund, and such charter school shall be required to provide such books and records and contribution information as the Board or its authorized representative may require. The Board is also authorized to collect delinquent contributions from charter schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter

school.

~~An Employer shall cause the Fund to receive all teachers' pension contributions within 15 business days of the predesignated paydays. Amount not received by the fifth day shall be deemed delinquent and subject to late interest penalty (calculated at the average short term rate of interest earned by the Fund for the calendar month preceding the calendar month in which the delinquency occurs) starting from the predesignated payday and ending on the date payment is received. The appropriate officers of the Employer shall certify at least monthly to the Fund all amounts deducted from the salaries of contributors. The certification shall constitute a confirmation of the accuracy of such deductions according to the provisions of this Article. For the purpose of this Section the predesignated payday shall be determined in accordance with each Employer's payroll schedule for contributions to the Fund.~~

~~The Board has the authority to conduct payroll audits of a charter school to determine the existence of any delinquencies in contributions to the Fund, and such charter school shall be required to provide such books and records and contribution information as the Board or its authorized representative may require. The Board is also authorized to collect delinquent contributions from charter schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of~~

~~Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter school.~~

(Source: P.A. 90-566, eff. 1-2-98.)

Section 90. The State Mandates Act is amended by adding Section 8.35 as follows:

(30 ILCS 805/8.35 new)

Sec. 8.35. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 97th General Assembly.

Section 99. Effective date. This Act takes effect July 1, 2011.